

PROPOSED ACQUISITION OF TWO SITES LOCATED AT JERVOIS ROAD, SINGAPORE AND INCORPORATION OF SUBSIDIARY COMPANIES

1. INTRODUCTION

The Board of Directors of Tiong Seng Holdings Limited (the “**Company**”) together with its subsidiaries (collectively, the “**Group**”) would like to announce that its wholly owned subsidiary, Yuan Ching Development Pte Ltd (“**YCDPL**”), has entered into a joint venture with Arctic Sky Investment Pte Ltd (a wholly owned subsidiary of Ocean Sky International Limited), where the latter will subscribe to 40% interest in a newly incorporated subsidiary company of the Group, TSky Development Pte Ltd (“**TSky Development**”).

TSky Development and/or its nominees have been granted an Option to Purchase (“**Option**”) for the acquisition (the “**Proposed Acquisition**”) of two (2) freehold sites comprised in TS24-245L and TS24-246C at Jervois Road, Singapore (the “**Subject Sites**”). The Subject Sites are located in prime district 10, with a combined site area of approximately 1,246.3 square metres (approximately 13,415 square feet) and are zoned “Residential” with a gross plot ratio of 1.4.

In connection with the Proposed Acquisition, TSky (Jervois) Pte Ltd (a newly incorporated company wholly owned by TSky Development), has exercised the Option and will undertake the development of the Subject Sites.

2. PURCHASE CONSIDERATION

The total purchase consideration for the Subject Sites is S\$21 million (Singapore Dollars: Twenty-one million) (the “**Consideration**”), arrived at on a willing buyer willing seller basis after arm’s length negotiations, taking into consideration, *inter alia*, relevant enquiries and references to the current market prices of properties in the surrounding area of similar size and parameters. The Consideration will be funded by a combination of internal resources of TSky Development and bank facilities.

3. RATIONALE

As the Group is engaged in the businesses of building construction, civil engineering and property development, the Proposed Acquisition is one that is in our ordinary course of business and will add on to the Group’s existing property development portfolio and further strengthen our capability building in this arena.

4. RELATIVE FIGURES UNDER RULE 1006

Based on the Group's unaudited financial statements for the 3 months ended 31 March 2017 as announced on 11 May 2017, the only applicable figure with respect to Rule 1006 under Chapter 10 of the Listing Manual is the aggregate value of our 60% share in the Consideration amounting to \$12.6 million as compared with the Company's market capitalisation* (based on the total number of issued shares, excluding treasury shares) which work out to be 8.7%.

**Company's market capitalisation is determined by multiplying the issued and paid up capital of 451,390,649 shares, excluding treasury shares, by the weighted average price of \$0.32 per share as at 14 July 2017, being the market day immediately preceding the date of this announcement.*

5. FINANCIAL EFFECTS OF THE PROPOSED TRANSACTION

Based on the recently completed financial year ended 31 December 2016, assuming that the transaction had been effected at the beginning of that financial year, the Proposed Acquisition does not have any material effect on the earnings per share or net tangible assets per share of the Group.

6. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the directors or substantial shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition.

7. OTHER INFORMATION

7.1. Directors' Service contracts

There are no Directors' Service contracts or any other transactions contemplated in relation to the Proposed Acquisition.

7.2. Documents for inspection

A copy of the Option is available for inspection during normal business hours at the registered office of the Company at 510 Thomson Road SLF Building #08-00 Singapore 298135, for a period of three months commencing from the date of this Announcement.

7.3. Announcements

The Company will make further announcements in respect of the Proposed Acquisition as and when as appropriate.

BY ORDER OF THE BOARD
TIONG SENG HOLDINGS LIMITED

Pek Lian Guan
Executive Director and CEO
17 July 2017